



PRESS RELEASE

Thursday 29th October, 2020, Mumbai : The Board Meeting of Shriram Transport Finance Company Limited (STFC), was held today to consider the unaudited financial results for the Second quarter ended 30th September, 2020.

Financials (Standalone) :

Second quarter ended 30th September, 2020 :

The Net Interest Income for the Second quarter ended 30th September, 2020 was at Rs. 2,021.86 crores as against Rs. 2,056.11 crores in the same period of the previous year. The profit after tax was Rs. 684.56 crores as against Rs. 765.05 crores recorded in the same period of the previous year. The earning per share (basic) for the second quarter ended 30th September, 2020 stood at Rs. 27.79 as against Rs. 32.86 recorded in the same period of the previous year.

COVID - 19 PROVISION

The COVID -19 pandemic has significantly affected various sectors of Indian economy. The prolonged lockdown imposed by the government due to Covid-19 pandemic has affected the Company's business operations. The Company has considered an additional Expected Credit Loss (ECL) provision on Loans of Rs. 416.65 crores and Rs. 1,372.80 crores on account of COVID – 19 during the quarter and half year ended September 30, 2020 respectively. As at September 30, 2020, additional ECL provision on Loan Assets as management overlay on account of COVID - 19 stood at Rs 2,282.44 crores. The additional ECL provision on account of COVID – 19 is based on the Company's historical experience, collection efficiencies post completion of Moratorium period, scheme by Government of India, internal assessment and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

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NPA CLASSIFICATION

Hon'ble Supreme Court, in a public interest litigation (Gajendra Sharma vs. Union of India & Anr). vide an interim order dated September 3, 2020, had directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. Gross NPA and Net NPA as of 30th September, 2020 stood at 6.42% and 3.64% respectively, as against 8.80% and 6.15% as of 30 September 2019. However such accounts have been classified as stage 3 and provisioned accordingly. If the Company had classified borrower accounts as NPA after 31 August 2020, the Company's Gross NPA and Net NPA ratio would have been 7.26 % and 4.51% respectively.

Assets under Management :

Total Assets under Management as on 30th September, 2020 were Rs. 113,345.93 crores as compared to Rs. 108,120.24 crores as on 30th September, 2019.

Interim Dividend :-

The Board declared an Interim Dividend of Rs. 6/- (60%) per share, the Record Date for the entitlement thereof has been fixed as November 10, 2020.

About Shriram Transport Finance Company Limited

Shriram Transport Finance Company Limited is the flagship company of the Shriram group which has significant presence in Consumer Finance, Life Insurance, General Insurance, Stock Broking and Distribution businesses. Established in 1979, Shriram Transport is today the largest asset financing NBFC in the country and holistic finance provider for the commercial vehicle industry and seeks to partner small truck owners for every possible need related to their assets. It has PAN India presence with 1,784 branch offices. Based at Mumbai, it manages assets under management over Rs. 113,300 crores and has a live customer base of app. 21 lacs.

For Further information, please contact:

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